

BUDGET LETTER

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| SUBJECT: CAPITAL OUTLAY BUDGET SUBMISSION FOR 1998-99 | NUMBER: 96-23 |
| REFERENCES: STATE ADMINISTRATIVE MANUAL SEC. 6501, ET. SEQ. | DATE ISSUED: NOVEMBER 27, 1996 |
| | SUPERSEDES: |

TO: Agency Secretaries
Department Directors
Departmental Budget Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

MAJOR CAPITAL OUTLAY

Five-year capital outlay plans and budget change proposals (COBCPs) for all major projects proposed for the 1998-99 Governor's Budget are to be submitted to the Department of Finance (DOF) by **February 3, 1997**.

BUDGET OFFICERS ARE REQUESTED TO FORWARD A COPY OF THIS BUDGET LETTER TO THE DEPARTMENT FACILITIES MANAGER.

New Policy: Departments must justify each capital outlay proposal based on its supporting relationship to the department's strategic plan. The COBCP form has been revised to provide a place for this justification.

If a department has not adopted its strategic plan by February 3, 1997, it must nonetheless submit its five-year plan and 1998-99 capital outlay proposals by the February 3 due date. The capital outlay plan and COBCPs must then be updated by August 4 to reflect their relationship to the strategic plan. (Per Budget Letter 96-16, departments are required to adopt strategic plans no later than July 1, 1997.)

Guidelines:

- Five-year plans are required of all departments submitting COBCPs for 1998-99.
- Complete COBCPs are required for all new projects. For previously funded projects, departments may request continuation by submitting just the COBCP cover sheet, provided there has been no change to approved cost or scope. Incomplete COBCPs will be returned without consideration. All COBCPs must be included in departments' five year plans.
- All projects must be approved by the appropriate Agency Secretary prior to submission to DOF.

- Requests for late COBCP submittals must be approved by the Agency Secretary and submitted in writing to Dennis Hordyk, Assistant Director, Department of Finance by **January 20, 1997**. Requests for late submittals will be accepted only for exceptional circumstances.
- Attachment I is the revised COBCP cover sheet. All requests are to be submitted in this format.
- Submit: two copies to DOF, Capital Outlay Unit, 915 L Street, Ninth Floor; one copy to the Legislative Analyst; and one copy to the Office of Project Development and Management in the Department of General Services
- Departments should review SAM Section 6501, et seq., before preparing capital outlay proposals. SAM Section 6621 identifies the information and documents required to provide complete proposals. In addition, each proposal must include proposed project scope language modeled after supplemental language produced by the Legislative Analyst's Office.
- *Updates to Departments' Five-Year Plans and/or COBCPs:* Updates to plans and COBCPs will be accepted no later than August 4, 1997, for any of the following reasons:
 - ◊ Changes in construction indexes.
 - ◊ Conforming action to the 1997-98 Budget (update must be technical in nature).
 - ◊ Conforming action/justification to the department's strategic plan, if that plan was not adopted by February 3, 1997.

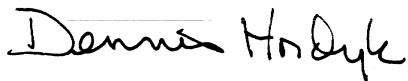
Changes for any other reason will be deferred to the 1999-2000 capital outlay budget cycle.

- Departments are encouraged to contact either the DOF capital outlay analyst at (916) 445-9694 or the Office of Project Development and Management at (916) 445-0780 for assistance *prior* to the February 3, 1997 deadline.

MINOR CAPITAL OUTLAY

The COBCPs for 1998-99 minor capital outlay projects are due to DOF by July 11, 1997. Send two copies to the DOF and one copy to the Legislative Analyst.

Any questions regarding the above issues should be directed to your capital outlay analyst at (916) 445-9694 or (ATSS) 485-9694.



DENNIS HORDYK
Assistant Director
Department of Finance

Attachment
bl/bl96-23.doc



Upcoming Budget Letters

- Section 11.00 - Information Technology Contracts

Issue # _____

Attachment I

CAPITAL OUTLAY
BUDGET CHANGE PROPOSAL (COBCP)
for
FISCAL YEAR _____

| | |
|--|--|
| Organization Code: | Department: |
| Project Title: | |
| Statewide Project Code: | Project Type: |
| This Proposal: \$ _____ Phase _____ | Fund Source(s): |
| Location: | Legislative Districts: Senate # Assembly # Congress # |
| Problem Statement: | |
| Proposal: | |
| Funding: | |

Fiscal Data (\$ in thousands)

| Phase | Prior Yr Funded | This Request | Future Years | Scheduled Completion Month/Year |
|-----------------|--------------------|-----------------|--------------|------------------------------------|
| Study | | | | |
| Acq. | | | | |
| P/P | | | | |
| W/D | | | | |
| Construction | | | | |
| Equipment | | | | |
| Other (Specify) | | | | |
| Total (Cost) | | | | |

| | | |
|-----------------------|---------------|-------------------|
| Revision: (Yes/No) | Date Revised: | OPDM Estimate #: |
| Prepared By: | Date: | Reviewed By: |
| Department Director: | Date: | Agency Secretary: |
| | | Date: |

The following categories are provided for additional project explanation. Attach additional information if necessary.

PROGRAM NEED/PHYSICAL DEFICIENCY:

RELATIONSHIP OF PROPOSAL TO DEPARTMENT'S STRATEGIC PLAN:

ALTERNATIVES:

SCOPE DESCRIPTION:

DEPARTMENT EVALUATION/COST ESTIMATE:

IMPACT ON SUPPORT BUDGET:

COST/BENEFIT SOLUTION: